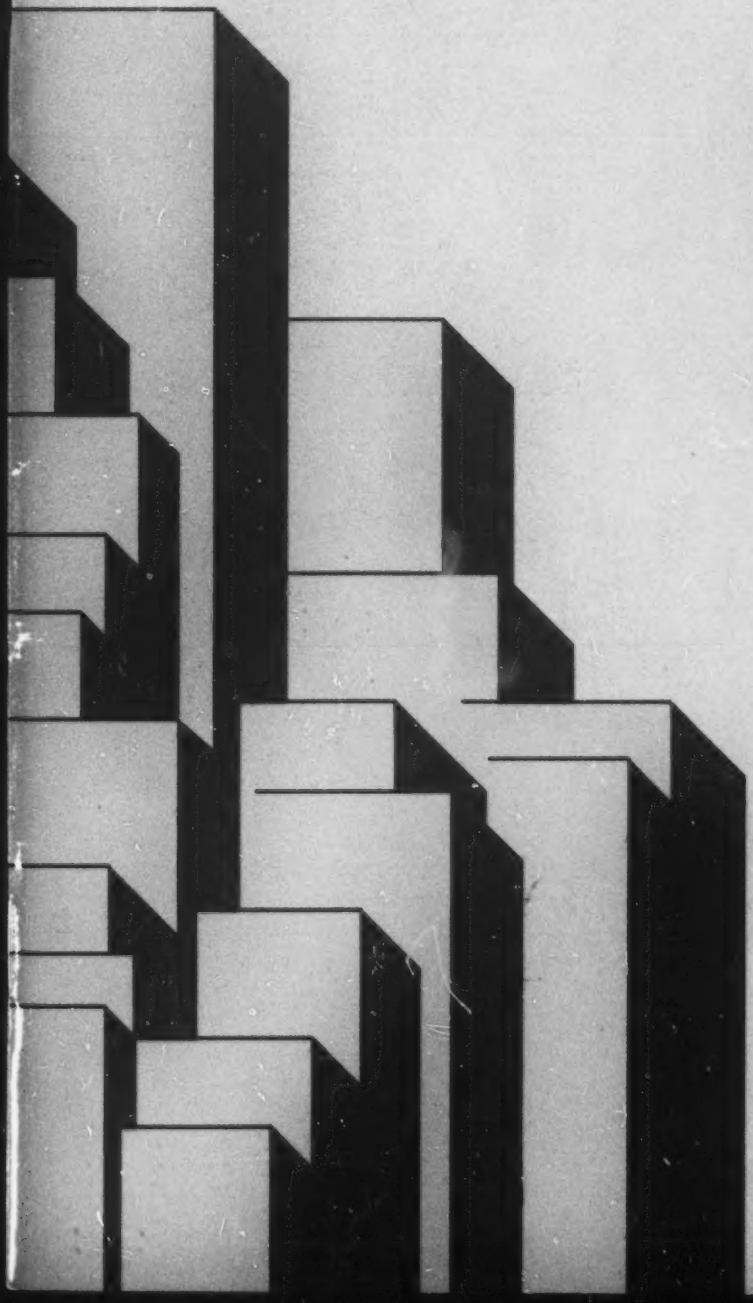
A8789-1-U 8/88

RADIO ADVERTISING BUREAU

RadioFacts

1987–1988



1987-1988

RadioFacts is a comprehensive, statistical overview of the commercial radio industry in the United States, compiled by the Radio Advertising Bureau (RAB), the sales and marketing arm of the industry representing commercial stations, networks, and station representatives. **RadioFacts,** now in its 27th edition, is widely considered the definitive source for information about radio in the United States. This data is designed for easy use in making advertising decisions.

The latest available data from many sources can be used to:

- ☐ Get a perspective on Radio's value as a marketing tool.
- ☐ Examine trends in radio use and growth.
- ☐ Demonstrate radio's strengths relative to other advertising media.
- ☐ Orient professional sales, marketing or advertising people to radio.

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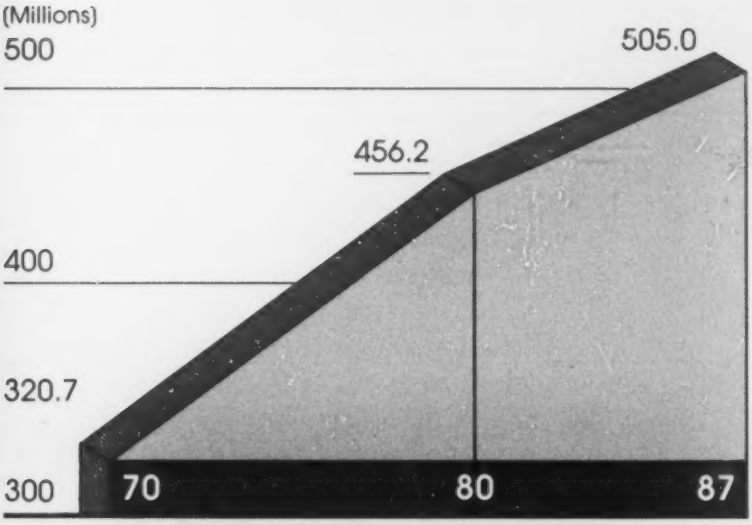
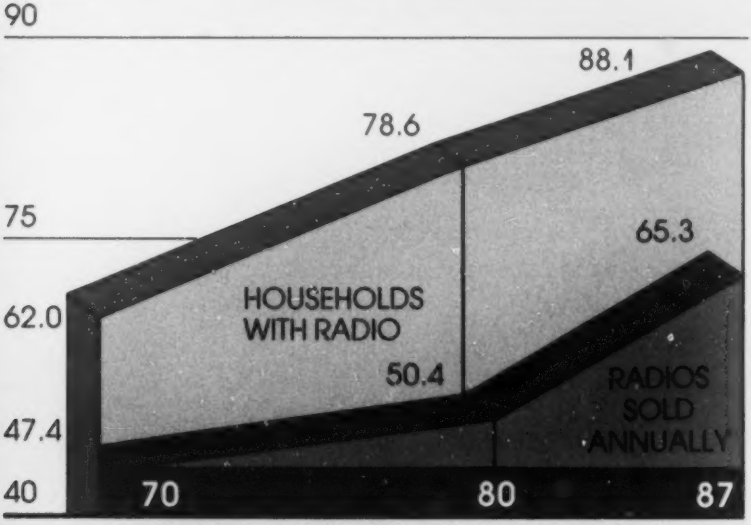
RadioFacts

505.0 Million Radios In Use
Up 11% Since 1980



Radio Sales Up 30% And Households With Radio Up 12% Since 1980



1987–1988

Radio Is In Every Home

5.4 radios per household

99% of all households have radios

366 million radio sets operate in homes

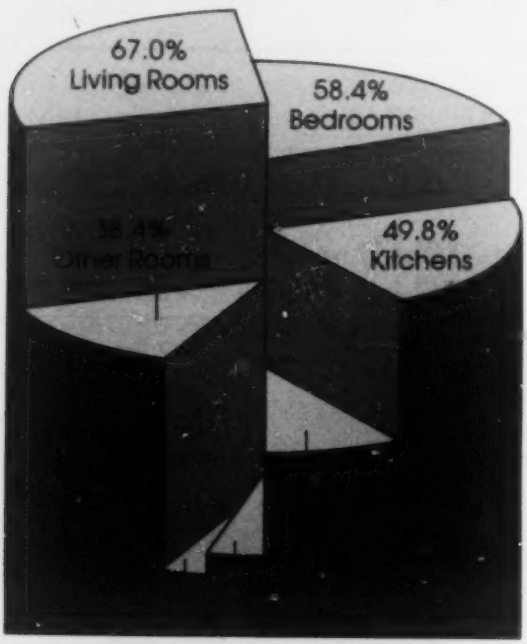
$2.67 billion was spent on new radios in 1986

150 million battery-operated radios are in use

78% of households have a battery-operated radio

32.9 million battery-operated radios were sold in 1986

41 Percent Of All Rooms Have Radios



RadioFacts

Each Day Radio Reaches Almost 80% Of Americans

Persons 12+	78.3%
Teens 12–17	85.6%

Ages	18+	18–24	25–34	35–49	50+
Men	78.8%	86.4%	82.3%	80.4%	70.6%
Women	76.2	83.5	79.6	77.9	69.9

Adults in households of	1–2 Persons	75.0%
	3–4 Persons	79.7
	5+ Persons	81.5

Each Week Radio Reaches 96% Of All Americans

Persons 12+	96.0%
Teens 12–17	99.6%

Ages	18+	18–24	25–34	35–49	50+
Men	96.1%	99.5%	98.5%	97.7%	91.2%
Women	95.1	98.7	98.8	96.6	90.3

Adults in households of	1–2 Persons	93.4%
	3–4 Persons	97.3
	5+ Persons	98.3

1987–1988

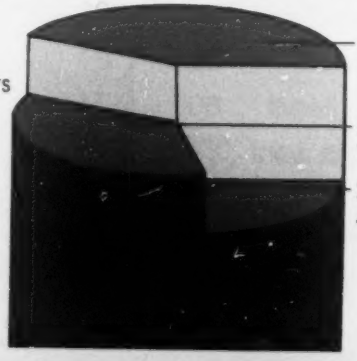
Radio Reaches 85% Of Americans At Home Every Week

Mon.-Fri.	Persons 12+	Men 18+	Women 18+	Teens 12–17
24 Hrs.	85%	80%	86%	97%
6 AM-10 AM	69	61	73	81
10 AM-3 PM	54	44	59	69
3 PM-7 PM	51	43	51	79
7 PM-Mid.	48	43	44	82
Mid.-6 AM	33	32	32	45

21.0 Million Walk-along Users Listen

- ☐ 84.3% of Walk-alongs include radios.
- ☐ 11.71 million walk-along sets sold with radio, 1984-86.

Age Profile of Walk-Along Owners



RadioFacts

Consumers Listen To Car Radio

86% of all car commuters are reached weekly by radio.

97% of all cars used for commuting have radios.

128.9 million car radios were in use in 1986.

98% of fleet and rental cars have radios.

82% of all adults have drivers' licenses.

95% of all automobiles have radios.

99% of used cars have radios.

82% of all travel is by car.

Percent Driving Time Radio Is On

Adults who:	Use Car	Adults 18+	Men 18+	Women 18+
Commute to work	87%	97%	97%	97%
Shop for groceries	89	78	78	78
Shop other retail	88	81	81	80
Dine out: Fast Food	80	76	77	75
Dine out: Restaurant	84	76	79	74

1987–1988

3 Out Of 4 Adults Are Reached Weekly By Radio In Their Cars

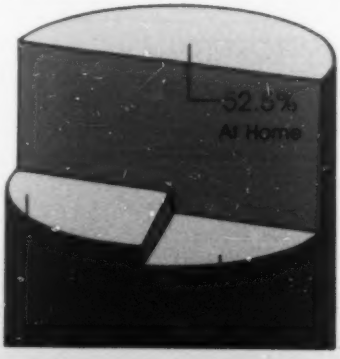
Percent Reached In Cars (Mon.-Sun.)

	Adults 18+	Men 18+	Women 18+
24 Hrs.	74%	80%	69%
6 AM-10 AM	53	61	45
10 AM-3 PM	54	56	52
3 PM-7 PM	58	63	54
7 PM-Mid.	35	38	33
Mid.-6 AM	13	18	8

Radio Reaches Consumers Everywhere

Share Of Radio Audience By Location (Mon.-Sun., 24 Hrs.)

Persons 12+



	At Home	In Cars	Other Places
Teens 12–17	69.2%	15.5%	15.3%
Men 18+	40.7	28.5	30.8
Women 18+	60.0	17.2	22.8

RadioFacts

Radio Reaches Working People

61% of adults have a radio available at work.

Of these:

41% have a company-owned radio available.

57% of them own their work radio.

Radio Availability At Work By Age And Selected Demographic Characteristics

Men 18+	59%				
Women 18+	63%				
Adults	**18+**	**18–34**	**35–44**	**45–54**	**55–64**
	61%	66%	58%	55%	53%

58% Homeowners

59% High Mileage Drivers

53% Prof./Managerial Men

63% Major Credit Card Users

61% Multiple Car Households

64% Full-Time Working Women

57% College Graduate Or More

59% $30,000+ Household Income

57% $50,000+ Household Income

1987–1988

On Weekdays (M-F) 95.2% Of Americans Listen To Radio For 3 Hrs. and 14 Minutes

R = Percent Weekly Reach (Mon.-Fri., 24 Hrs.)
T = Averge Daily Time Spent Listening

Persons 12+	R 95.2 T 3:14	Teens 12–17	R 100.0 T 2:37

Ages	18+	18–34	18–49	25–54	35+
Men	R 95.4 T 3:22	R 98.7 T 3:49	R 97.9 T 3:40	R 97.2 T 3:29	R 93.0 T 3:03
Women	R 94.1 T 3:15	R 98.4 T 3:27	R 97.5 T 3:25	R 97.0 T 3:19	R 91.5 T 3:08

Each Day (M-Su) Most Americans Listen To Radio Almost Three Hours

	Daily Time Spent Listening
Persons 12+	2:57
Teens 12–17	2:32

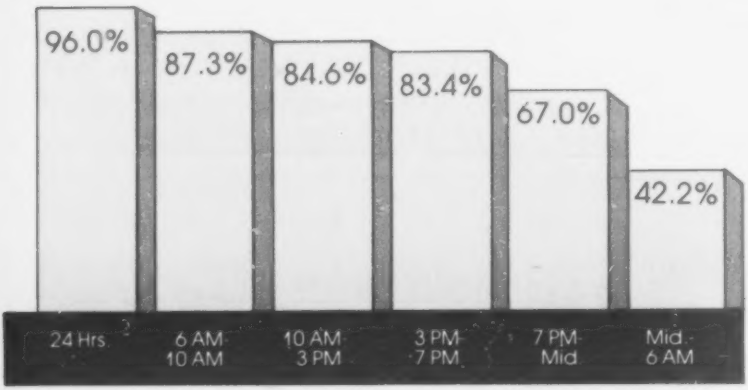
Ages	18+	18–24	25–34	35–49	50+
Men	3:01	3:35	3:17	3:01	2:29
Women	2:59	3:28	2:54	3:01	2:46

Adults in households of		
	1–2 Persons	2:56
	3–4 Persons	3:01
	5+ Persons	3:09

RadioFacts

Percent Reached By Daypart

(Persons 12+, Mon.-Sun.)



Consumers Reached By Daypart

	Men 18+	Women 18+	Teens 12-17
	(Mon.-Sun.)		
24 Hrs.	96.1%	95.1%	99.6%
6 AM-10 AM	87.0	87.1	88.8
10 AM-3 PM	83.6	84.6	88.1
3 PM-7 PM	83.8	80.8	93.1
7 PM-Mid.	66.1	62.4	90.0
Mid.-6 AM	44.9	37.6	51.3

1987–1988

2 Out Of 3 Americans Listen To Radio During TV Prime Time

R = Percent Evening Reach (M-Su, 7 PM-Mid.)
T = Weekly Time Spent Listening

Persons 12+	R 67.0 T 4:34			Teens 12–17	R 90.0 T 5:32
Ages	18+	18–34	18–49	25–54	35+
Men	R 66.1 T 4:33	R 78.1 T 5:12	R 73.0 T 4:40	R 67.9 T 3:59	R 57.6 T 3:55
Women	R 62.4 T 4:16	R 74.3 T 4:23	R 69.9 T 4:08	R 65.2 T 3:43	R 54.0 T 4:09

42.2% of Americans Listen After Midnight

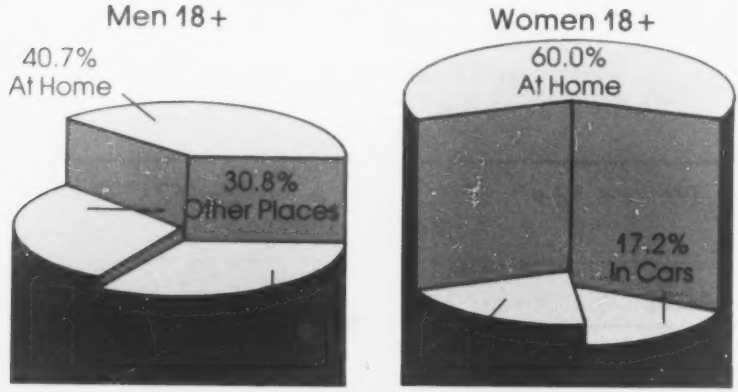
R = Percent Post-Mid. Reach (M-Su, Mid.-6 AM)
T = Weekly Time Spent Listening

Persons 12+	R 42.2 T 3:20			Teens 12–17	R 51.3 T 2:29
Ages	18+	18–34	18–49	25–54	35+
Men	R 44.9 T 3:36	R 54.7 T 3:34	R 51.3 T 3:31	R 46.6 T 3:35	R 37.9 T 3:39
Women	R 37.6 T 3:20	R 43.6 T 3:01	R 41.7 T 3:02	R 38.8 T 2:53	R 33.8 T 3:35

RadioFacts

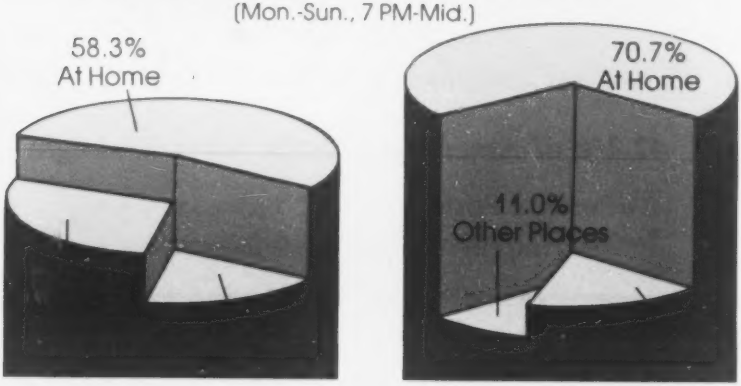
Total Radio Listening By Location

(Mon.-Sun., 24 Hrs.)



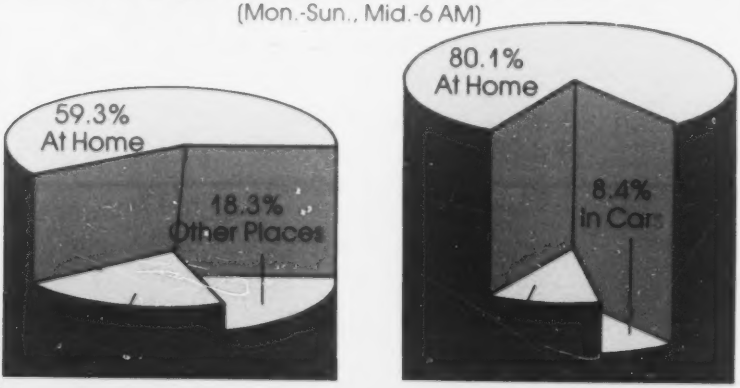
Evening Radio Listening By Location

(Mon.-Sun., 7 PM-Mid.)



Overnight Radio Listening By Location

(Mon.-Sun., Mid.-6 AM)



1987–1988

80.4% Of Americans Listen Over 5½ Hours Each Weekend

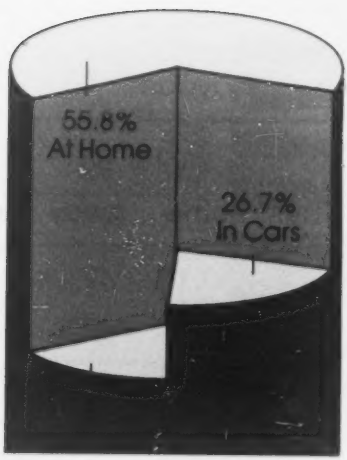
R = Percent Weekend Reach (Sat.-Sun., 24 Hrs.)
T = Averge Time Spent Listening

Persons 12+		R 80.4 T 5:35		Teens 12–17	R 91.0 T 5:11
Ages	18+	18–34	18–49	25–54	35+
Men	R 80.0 T 5:17	R 85.7 T 5:29	R 83.8 T 5:19	R 81.2 T 5:05	R 75.8 T 5:07
Women	R 78.4 T 5:58	R 83.0 T 5:33	R 81.1 T 5:35	R 79.2 T 5:27	R 75.5 T 6:16

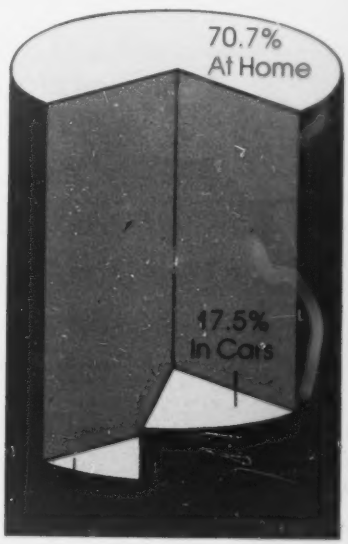
Weekend Radio Listening By Location

(Sat.-Sun. 24 Hrs.)

Men 18+

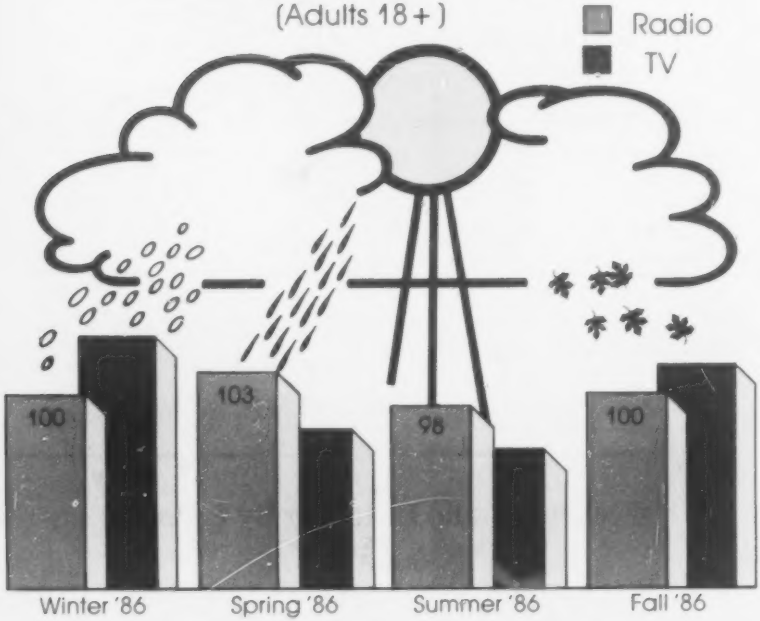


Women 18+



RadioFacts

Seasonal Listening/Viewing Index



Summer And Winter, Radio Reaches Consumers Wherever They Are

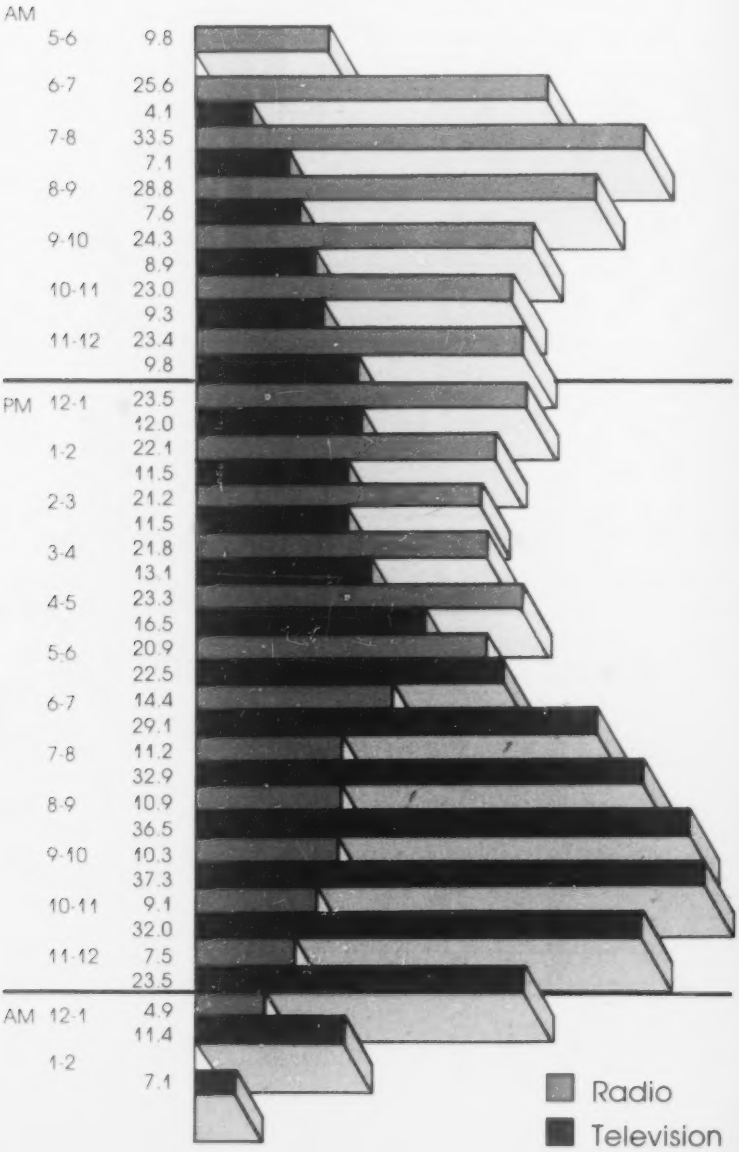
Mon.-Fri., Persons 12+
Radio Listening By Location/Daypart

	Summer '86		Winter '86	
	Home	Away	Home	Away
6 AM-Mid.	53.3%	46.7%	50.1%	49.9%
6-10 AM/3-7 PM	54.6	45.4	52.5	47.5
10 AM-3 PM	39.7	60.3	38.3	61.7
7 PM-Mid.	75.4	24.6	71.5	28.5

1987–1988

Radio Listening Is Greater Than TV Viewing From 5 AM Till 5 PM

Fall 1986—Five Market Composite



RadioFacts

Radio Reaches Everyone

R = Percent Weekly Reach
(Mon.-Sun., 6 AM-Mid.)
T = Average Daily Time
Spent Listening

Persons 12+	R 95	T 3:11			
Ages	**12–17**	**18–34**	**35–49**	**50–64**	**65+**
Men	R 94 T 2:07	R 96 T 3:29	R 95 T 3:08	R 94 T 3:02	R 89 T 2:53
Women	R 98 T 2:49	R 98 T 3:23	R 96 T 3:10	R 94 T 3:20	R 89 T 3:14

Radio Reach By Daypart

M = % Men Reached W = % Women Reached

Mon-Fri.	Teens 12–17	18–34	35–49	50–64	65+
6 AM-10 AM	M 70 W 84	M 84 W 86	M 86 W 87	M 83 W 83	M 76 W 76
10 AM-3 PM	M 45 W 54	M 72 W 78	M 63 W 71	M 64 W 73	M 72 W 73
3 PM-7 PM	M 73 W 86	M 83 W 84	M 79 W 78	M 74 W 72	M 62 W 61
7 PM-Mid.	M 73 W 82	M 65 W 64	M 52 W 50	M 46 W 46	M 45 W 46

Weekend	Teens 12–17	18–34	35–49	50–64	65+
6 AM-Mid.	M 80 W 90	M 82 W 85	M 77 W 79	M 78 W 80	M 78 W 81

1987–1988

Radio Reaches Almost All Black Persons

R = Percent Weekly Reach (Mon.-Sun., 6 AM-Mid.)

T = Average Daily Time Spent Listening

Men		
18–34	25–54	35–64
R 96 T 4:05	R 95 T 3:44	R 94 T 3:32

Women		
18–34	25–54	35–64
R 99 T 4:07	R 97 T 3:55	R 96 T 3:54

12+	Teens	Men 18+	Women 18+
R 95 T 3:51	R 96 T 3:10	R 94 T 3:49	R 96 T 4:02

Blacks Listen Throughout The Week

M = % Men Reached W = % Women Reached

Mon.-Fri.	Teens 12–17	18+	18–34	25–54	35–64
6 AM-10 AM	79	M 81 W 85	M 82 W 87	M 81 W 87	M 81 W 86
10 AM-3 PM	51	M 67 W 71	M 73 W 78	M 66 W 69	M 62 W 65
3 PM-7 PM	77	M 74 W 75	M 79 W 83	M 73 W 77	M 70 W 70
7 PM-Mid.	70	M 61 W 60	M 73 W 75	M 59 W 59	M 54 W 52

Weekend	Teens 12–17	18+	18–34	25–54	35–64
6 AM-Mid.	79	M 83 W 85	M 78 W 80	M 83 W 84	M 82 W 84

RadioFacts

Radio Reaches Hispanics

R = Percent Weekly Reach (Mon.-Sun., 6 AM-Mid.)

T = Average Daily Time Spent Listening

Men		
18–34	25–54	35–64
R 98 T 3:40	R 98 T 3:38	R 97 T 3:40
Women		
18–34	25–54	35–64
R 98 T 3:55	R 97 T 3:57	R 96 T 4:11

12+	Teens	Men 18+	Women 18+
R 97 T 3:48	R 98 T 3:12	R 97 T 3:41	R 97 T 4:04

Hispanics Listen Throughout The Week

M = % Men Reached W = % Women Reached

	Mon.-Fri.	Teens 12–17	18+	18–34	25–54	35–64
	6 AM-10 AM	95	M 84 W 88	M 85 W 87	M 86 W 89	M 85 W 86
	10 AM-3 PM	54	M 68 W 76	M 71 W 78	M 66 W 74	M 64 W 73
	3 PM-7 PM	90	M 78 W 77	M 80 W 83	M 79 W 78	M 80 W 72
	7 PM-Mid.	85	M 63 W 59	M 67 W 63	M 63 W 57	M 60 W 55

	Weekend	Teens 12–17	18+	18–34	25–54	35–64
	6 AM-Mid.	83	M 73 W 75	M 73 W 76	M 70 W 73	M 73 W 73

1987–1988

Radio Reaches Upscale Audiences

R = Percent Weekly Reach (Mon.-Sun., 24 Hrs.)
T = Averge Daily Time Spent Listening

Household Income	Men	Women
$40,000+	R97.6 T 3:01	R96.4 T 2:51
$30,000-$39,999	R96.7 T 3:03	R95.2 T 3:02
$20,000-$29,999	R96.4 T 3:06	R96.4 T 3:02

Educational Level	Men	Women
Att./Grad College	R97.7 T 2:53	R96.7 T 2:55
High School Grad.	R96.1 T 3:14	R95.7 T 3:05

Employment	Women
All Working Women	R97.8 T 3:13
Full-Time	R98.0 T 3:18
Part-Time	R97.1 T 2:54

RadioFacts

Radio Delivers Reach And Frequency

In all size markets buying only a few stations, radio delivers big reach and high frequency.

R = Percent Reach F = Frequency **G** = Gross Rating Points

Market Rank*	One Week	Four Weeks
1-10	R 30.6 F 2.7 G 84.1	R 56.8 F 5.9 G 336.2
11-25	R 29.5 F 2.6 G 75.6	R 56.0 F 5.4 G 302.5
26-50	R 29.3 F 2.9 G 86.3	R 53.7 F 6.4 G 345.1
51-75	R 33.9 F 2.9 G 97.4	R 61.5 F 6.3 G 389.8
76-100	R 41.1 F 3.2 G 131.5	R 70.4 F 7.5 G 526.0
101-150	R 31.6 F 2.8 G 87.2	R 58.4 F 6.0 G 348.7
151-200	R 32.1 F 2.7 G 85.8	R 59.6 F 5.8 G 343.1
200+	R 35.0 F 2.9 G 103.1	R 62.8 F 6.6 G 412.3

* Single selected market within each group; 3 stations, 18 spots per week on each. Spring 1986 Arbitron MSA, Mon.-Sun., 6 AM-Mid. based on Adults 18+.

Describing a radio station's audience using the average quarter hour rating (the average audience for all the ¼ hours in the time period), neglects the Cume which is the circulation of the station or the number of different people who tune in weekly.

Although the AQH numbers could be relatively small, the reach developed by only 3 stations running 18 spots/week on each is significantly higher. In the markets shown, stations develop strong impact in terms of reach and frequency. More stations and more spots will increase radio's advertising impact.

1987–1988

Radio Reaches Light TV Viewers Daily

(Time Spent Mon.-Sun. 8 AM-2 AM)

TV Viewing Quintiles	Adults 18+	
	TV	Radio
Very Heavy	7:14	2:56
Heavy	4:21	3:14
Moderate	2:58	3:35
Light	1:56	3:33
Very Light	0:50	3:43

Each Day All TV Viewers Listen To Radio

(Time Spent Mon.-Sun. 8 AM-2 AM)

TV Viewing Quintiles	Men 18+		Women 18+	
	TV	Radio	TV	Radio
Very Heavy	6:42	2:44	7:47	3:07
Heavy	3:58	3:35	4:44	2:53
Moderate	2:43	3:47	3:13	3:23
Light	1:47	3:43	2:04	3:23
Very Light	0:44	3:50	0:56	3:36

Radio Reaches Light Users Of Other Media

Light Users Of:	Percent of Population	Percent of Total Viewing/ Reading	Time Spent With Medium	Time Spent With Radio
Adults 18+				
TV	38%	12%	1:07	3:10
Newspapers	50	13	0:11	2:38
Magazines	69	15	0:05	2:38
Men 18+				
TV	42%	14%	1:07	3:14
Newspapers	47	10	0:11	2:59
Magazines	69	15	0:06	2:51
Women 18+				
TV	35%	10%	1:06	3:05
Newspapers	53	17	0:11	2:22
Magazines	70	14	0:05	2:25

1987–1988

Radio Targets Geo-Demographically

Radio has the ability to target by geography and lifestyle. Several services produce this type of data and the basic premise is that "Birds of a feather flock together." Cluster Plus and/or Prizm enable you to translate specific station audience data into geo-demographic groupings. A special tabulation based on a major top 10 metro area shows that during the course of a week, over 90% of the people in each of the cluster groupings tune to radio. The proportions for each group varies by market. Groupings can be put together to match the characteristics of each marketing situation.

A reach and frequency tabulation for each of the four groupings shown below, shows radio's ability to reach these target audiences. A moderate schedule of 18 spots per week on the top five stations for four weeks will reach more than half of the people in each of the cluster groups with high frequency.

Cluster Plus Groupings	% Total U.S. Persons 12+	Sample Metro % Persons 12+	Radio Weekly Reach
1,2,3	23.5%	44.4%	95.3%
4,5,6	41.6	28.4	95.9
7,8	20.6	0.6	92.6
9,10	14.3	26.6	96.1

Cluster Plus Groupings	Top Five Stations	
	Reach	Frequency
1,2,3	51.7%	6.1%
4,5,6	50.1	6.8
7,8	63.3	9.7
9,10	58.0	9.6

Cluster Plus Metro Area Lifestyle Profiles

Group	Description
1	Well educated, affluent, suburban professionals.
2	Urban, upscale, professionals, few children.
3	Younger, mobile, upscale families, children, new homes.
4	Young, mobile, above average income, white collar workers.
5	Middle age, above average income, white collar workers.
6	Younger, mobile, singles, few children, urban areas.
7	Average income, blue collar families, rural areas.
8	Older, lower incomes, rural areas, old homes.
9	Downscale, ethnic, urban apartment areas, old housing.
10	Less educated, downscale, rural, families with children.

Radio Is The First Morning News Source

Morning (6 AM-10 AM)	Radio	TV	News-papers	Other/ None
Persons 12+	49%	29%	15%	7%
Teens 12–17	60	21	12	7
Adults 18+	48	30	16	6
Adults 18–34	53	28	13	6
Adults 25–54	50	29	16	5
College Grads.	46	27	22	5
Prof./Mgr. Males	55	19	20	6
F/T Working Women	56	27	11	6
$50K+ Income	49	28	18	5

Radio Is The Major Source of News

Morning (6AM-10 AM)	Radio	TV	News-papers	Other/ None
Persons 12+	42%	31%	18%	9%
Teens 12–17	54	29	9	8
Adults 18+	41	31	19	9
Adults 18–34	45	28	20	7
Adults 25–54	43	29	20	8
College Grads.	38	24	30	8
Prof./Mgr. Males	48	16	27	9
Working Women	49	28	15	8
$50K+ Income	45	21	27	7

1987–1988

Radio Is The First News Source At Midday

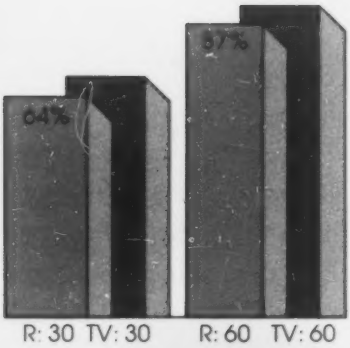
Midday(10 AM-3 PM)	Radio	TV	News-papers	Other/ None
Persons 12+	36%	24%	14%	26%
Teens 12–17	30	24	17	29
Adults 18+	37	24	14	25
Adults 18–34	43	19	18	20
Adults 25–54	41	18	15	26
College Grads.	36	17	15	32
Prof./Mgr. Males	36	9	23	32
F/T Working Women	48	9	12	31
$50K+ Income	44	10	17	29

Radio Is The First Source For Local Emergency News

	Radio	TV	Other/ None
Persons 12+	50%	48%	2%
Teens 12–17	50	49	1
Adults 18+	50	48	2
Adults 18–34	50	49	1
Adults 25–54	54	44	2
College Grads.	56	42	2
Prof./Mgr. Males	57	40	3
F/T Working Women	51	47	2

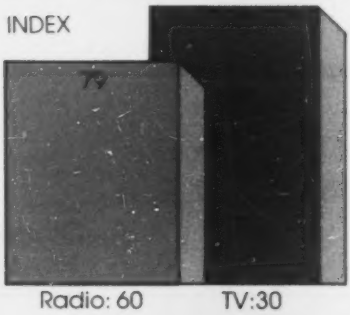
RadioFacts

Radio Is Intrusive



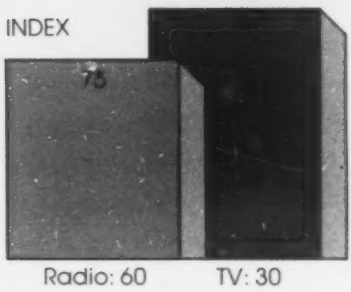
In Aided Recall Test Radio 60 Second Spots Score Better Than TV 30s

The Pretesting Company measures commercial recall after respondents have been exposed to commercials two times during a "real life" setting. Using a disguised exposure testing approach the respondent is not aware of the purpose of the test. The scores show total aided recall of the two exposures during a 15-minute program. (36 pairs of Radio and TV commercials). Comparisons of comparable length spots showed radio reached over 90% as well as TV.



In Recall Tests Radio Commercials Score 79% Against Tv's Norm

Radio Recall Research measures 24-hour proven recall. Respondent is exposed to prepared Radio program, including commercials at interviewing center in shopping mall. Index represents widely accepted 24-hour recall norms for TV 30's of 24% over 1,500 separate radio tests.



In Coupon-Redemption Tests Radio Delivered 75% of Tv's Impact

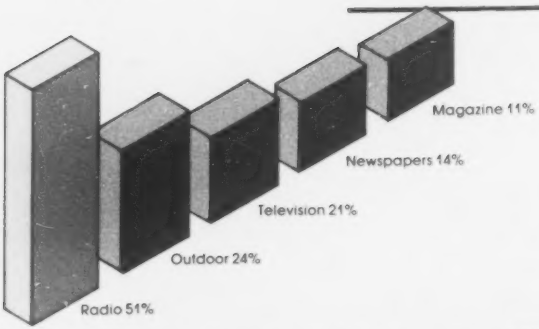
Teleresearch, Inc. tests coupon redemption at supermarkets and drug stores. Respondents are exposed to five non-competitive Radio commercials and given a booklet of cents-off coupons before entering store. Redemption index is developed by comparing test and control sample.

1987–1988

Radio Reaches Consumers Closest To Largest Purchase Of Day

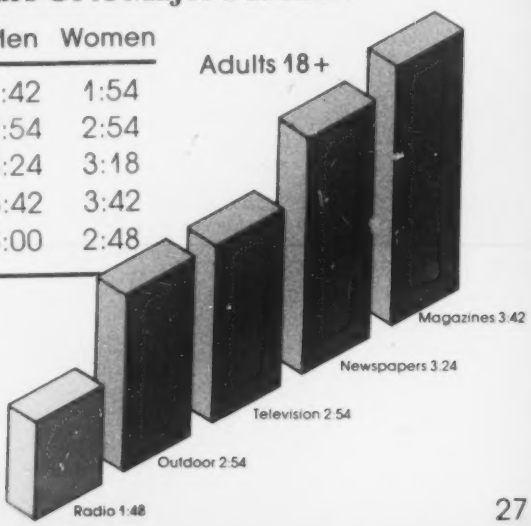
Percent Reached By Media Within One Hour Of Day's Largest Purchase

	Men	Women
Radio	56%	47%
Television	23	20
Newspapers	14	14
Magazines	10	11
Outdoor	22	26



Radio Reaches Consumers Within 2 Hours Of A Major Purchase

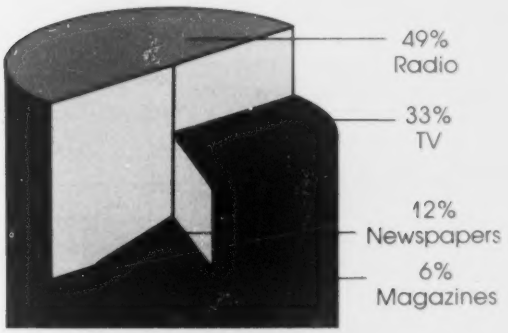
	Men	Women
Radio	1:42	1:54
Television	2:54	2:54
Newspapers	3:24	3:18
Magazines	3:42	3:42
Outdoor	3:00	2:48



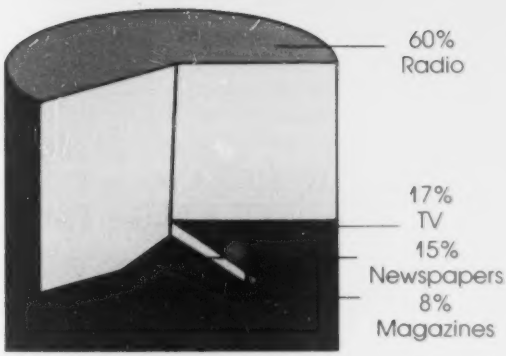
Consumers Spend More Time With Radio During Key Shopping Hours

Share-Of-Time Spent Daily 6 AM-6 PM
With Each Medium

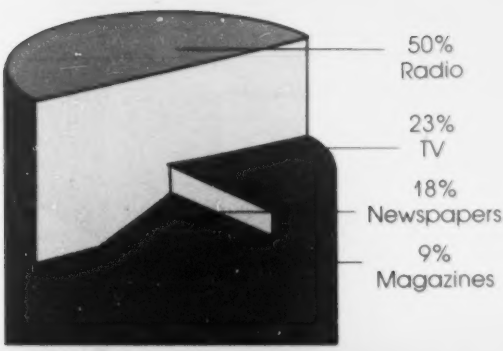
Adults 18+



HH Income
$50,000+



College
Graduates

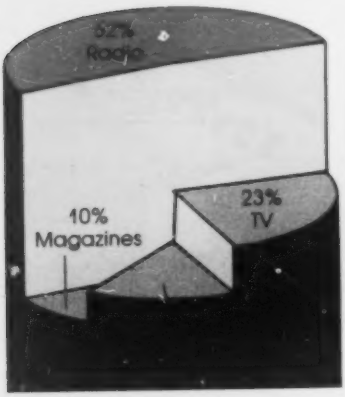


1987–1988

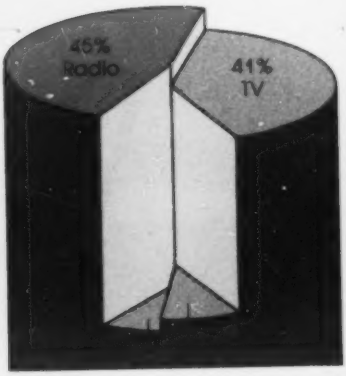
Prof./Mgrl. Men, Working Women Spend More Time With Radio

(6 AM-6 PM)

Prof./Mgrl. Men

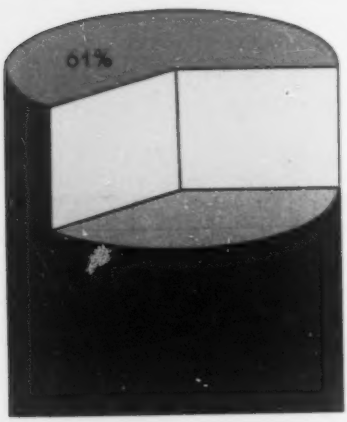


Full-Time Working Women

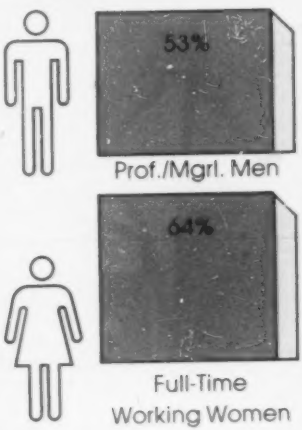


Radio Listening At Work

Have Radios

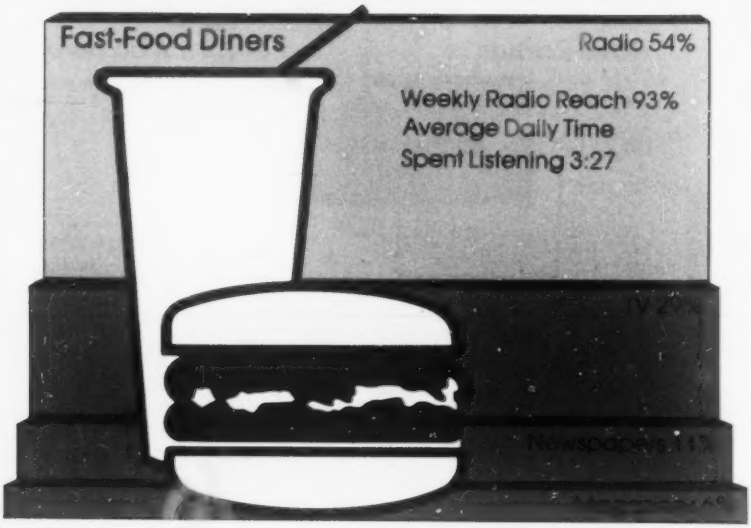


Percent Who Listen

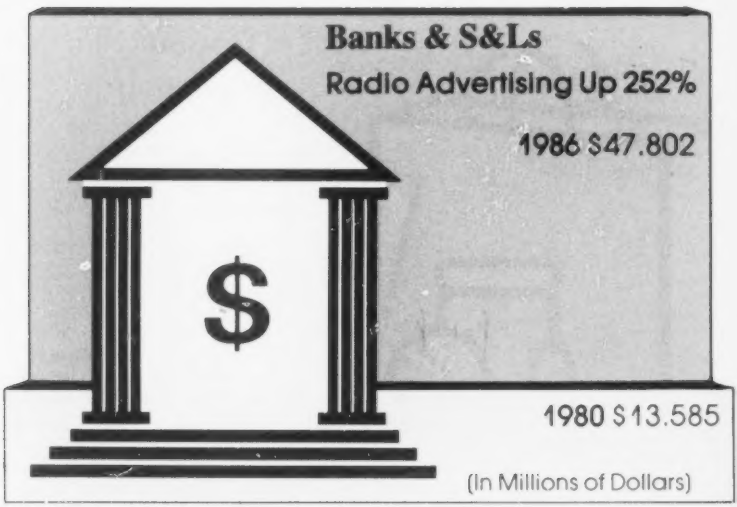


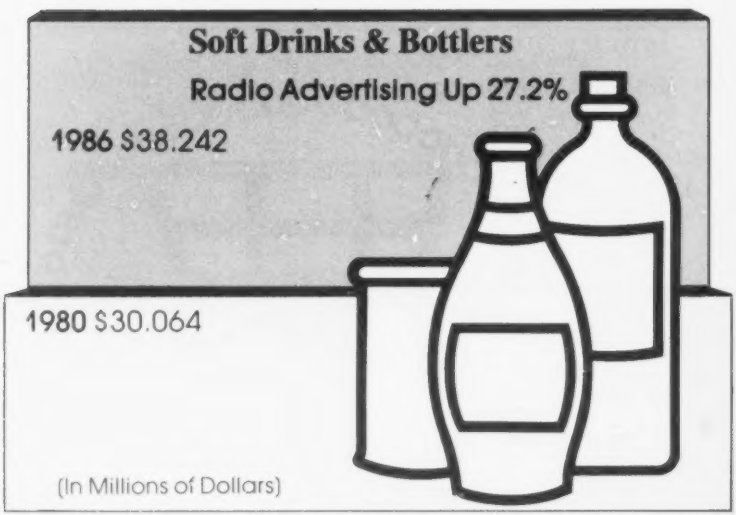
Share-Of-Time: Radio Leads Other Media Among Key Product Users

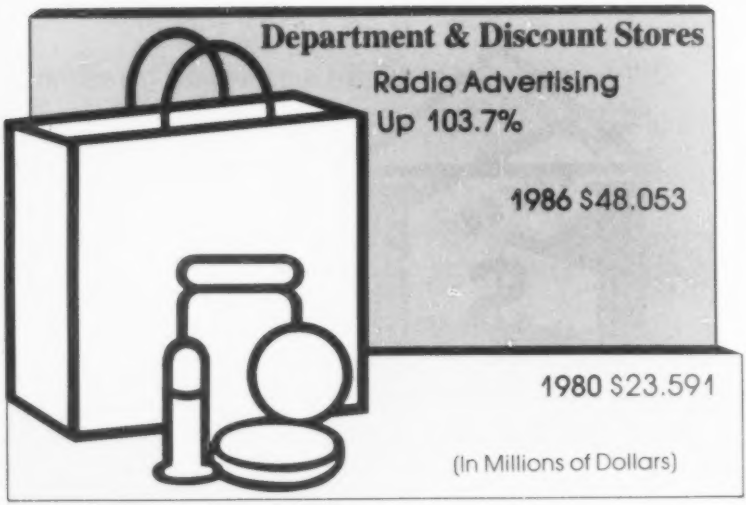
During Prime Shopping Hours (6 AM-6 PM)

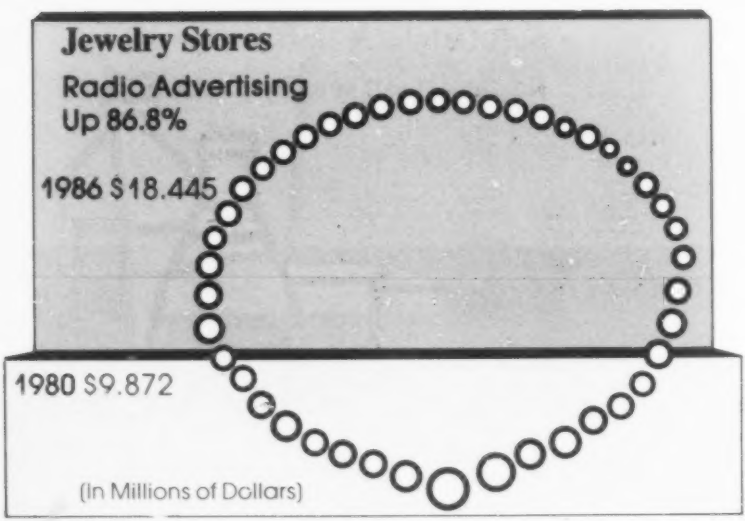


1987–1988

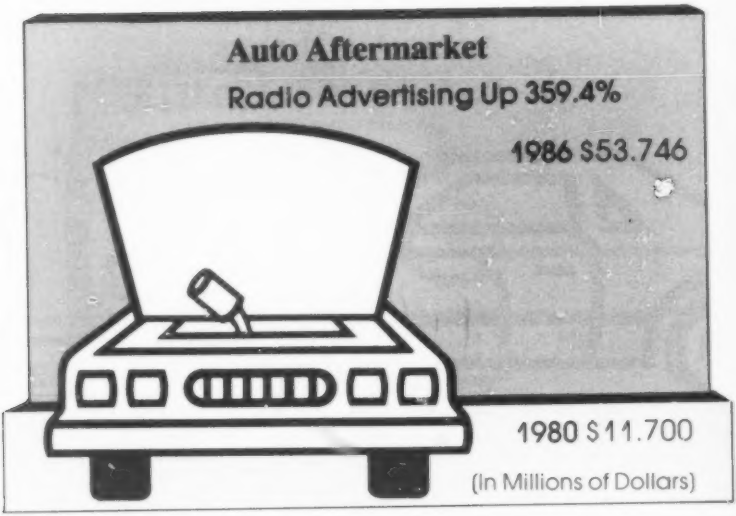

Banks & S&Ls
Radio Advertising Up 252%
1986 $47.802
$
1980 $13.585
(In Millions of Dollars)

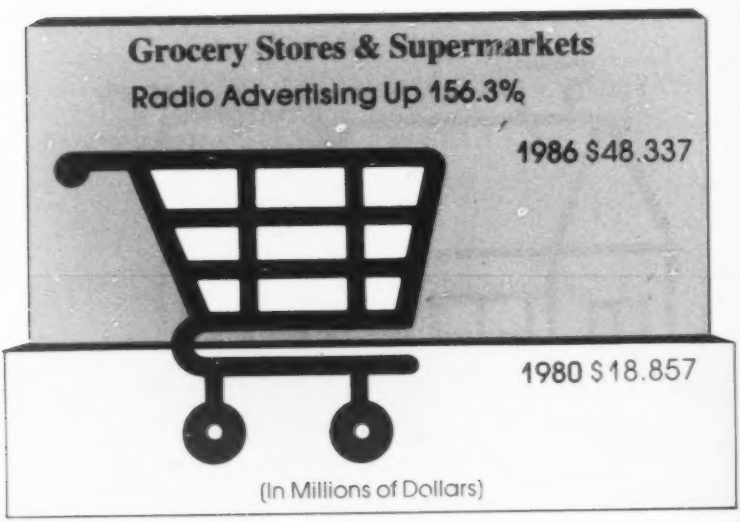

Soft Drinks & Bottlers
Radio Advertising Up 27.2%
1986 $38.242
1980 $30.064
(In Millions of Dollars)

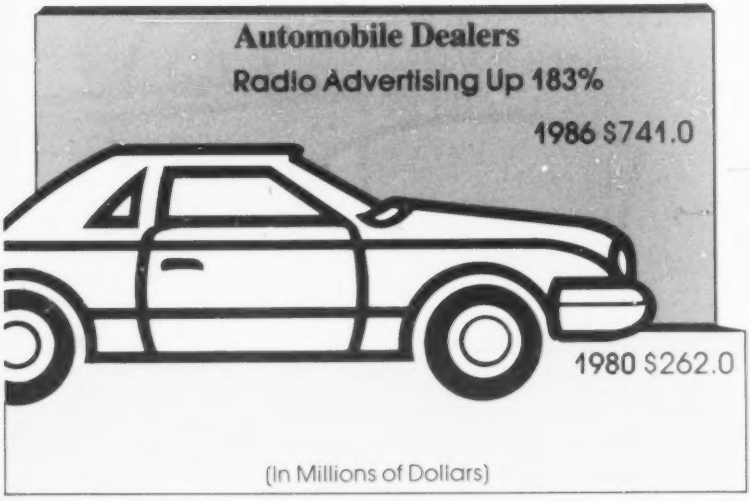

Department & Discount Stores
Radio Advertising
Up 103.7%
1986 $48.053
1980 $23.591
(In Millions of Dollars)

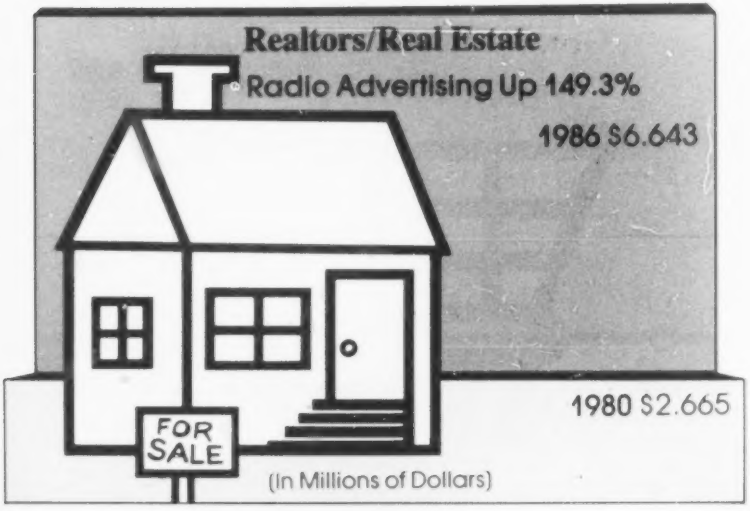

Jewelry Stores
Radio Advertising
Up 86.8%
1986 $18.445
1980 $9.872
(In Millions of Dollars)

1987–1988


Auto Aftermarket
Radio Advertising Up 359.4%
1986 $53.746
1980 $11.700
(In Millions of Dollars)

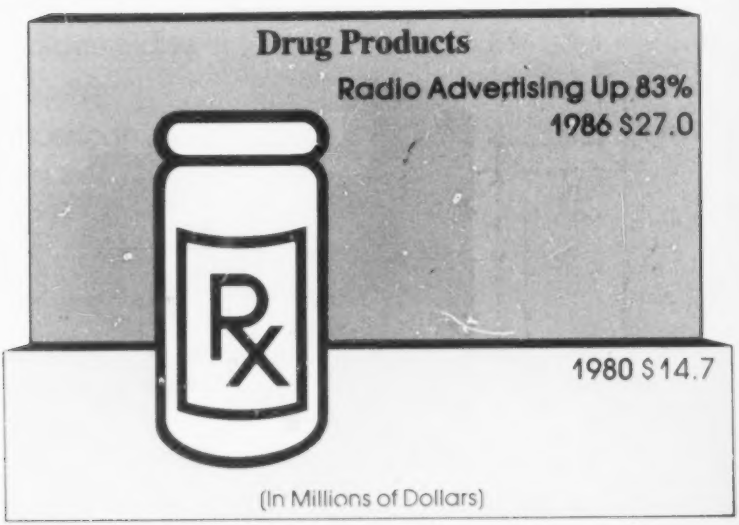

Grocery Stores & Supermarkets
Radio Advertising Up 156.3%
1986 $48.337
1980 $18.857
(In Millions of Dollars)


Automobile Dealers
Radio Advertising Up 183%
1986 $741.0
1980 $262.0
(In Millions of Dollars)


Realtors/Real Estate
Radio Advertising Up 149.3%
1986 $6.643
1980 $2.665
FOR SALE
(In Millions of Dollars)

1987–1988

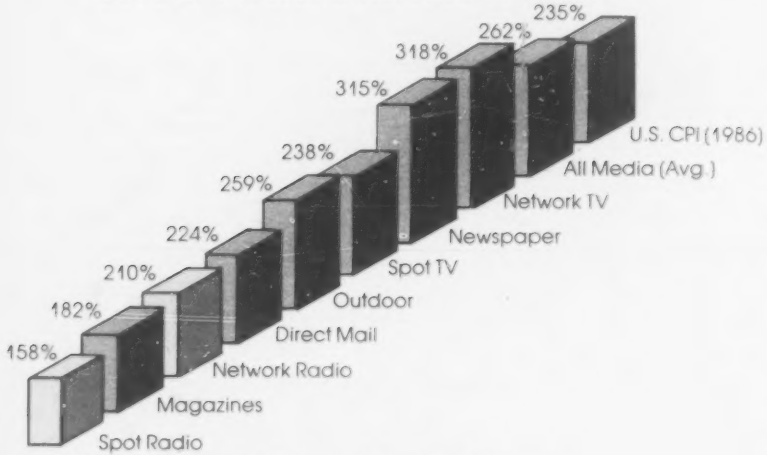
Furniture Stores
Radio Advertising Up 67.4%
1985 $220.0
1980 $131.4
(In Millions of Dollars)


Drug Products
Radio Advertising Up 83%
1986 $27.0
Rx
1980 $14.7
(In Millions of Dollars)

RadioFacts

Radio's CPM Grew Less Than Any Other Medium

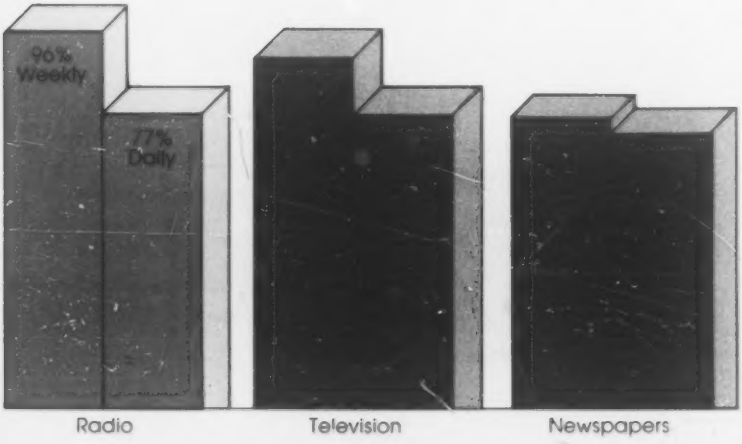
Cost-Per-Thousand Increase 1967*-1987**



*1967 is the base year for Consumer Price Index
**Estimated

Daily And Weekly Radio Outreaches TV And Newspapers

Adults 18+



1987–1988

How AM/FM Stations Program By Format

There are 4,863 commercial AM stations and 3,944 commercial FM stations licensed by the Federal Communications Commission operating in the United States (as of 12/31/86). 1,263 non-commercial stations can also be found, primarily on the FM dial.

A programming format usually defines the kind of audience attracted to a particular radio station. The following formats are in use:

Percent of AM, FM stations in the top 100 markets programming each format.

Format	AM	FM	Total AM/FM
Adult contemporary	19.5%	20.4%	20.0%
Country	16.8	15.0	15.9
Rock/CHR	4.1	19.4	11.8
Album oriented rock (AOR)	0.7	13.4	7.1
MOR/nostalgia	13.1	1.5	7.3
Easy listening	1.5	10.5	6.0
Religious	8.0	3.1	5.5
News/talk	12.0	0.9	6.5
Black/R&B	5.1	2.2	3.7
Urban contemporary	1.9	4.4	3.2
Golden oldies	5.2	1.1	3.2
Spanish	4.4	0.8	2.6
Classical	1.2	2.1	1.7
All news	3.4	0.0	1.7
Soft contemporary	1.4	4.1	2.8
Variety	1.3	0.4	1.0

RadioFacts

AM/FM Stations On Air

Year-End	AM Stations On Air	FM Stations On Air	Total Stations On Air
1986	4,863	3,944	8,807
1985	4,718	3,875	8,593
1984	4,754	3,716	8,470
1980	4,589	3,282	7,871
1970	4,323	2,196	6,519
1960	3,539	815	4,354

Commercial Loads & Newscast Lengths

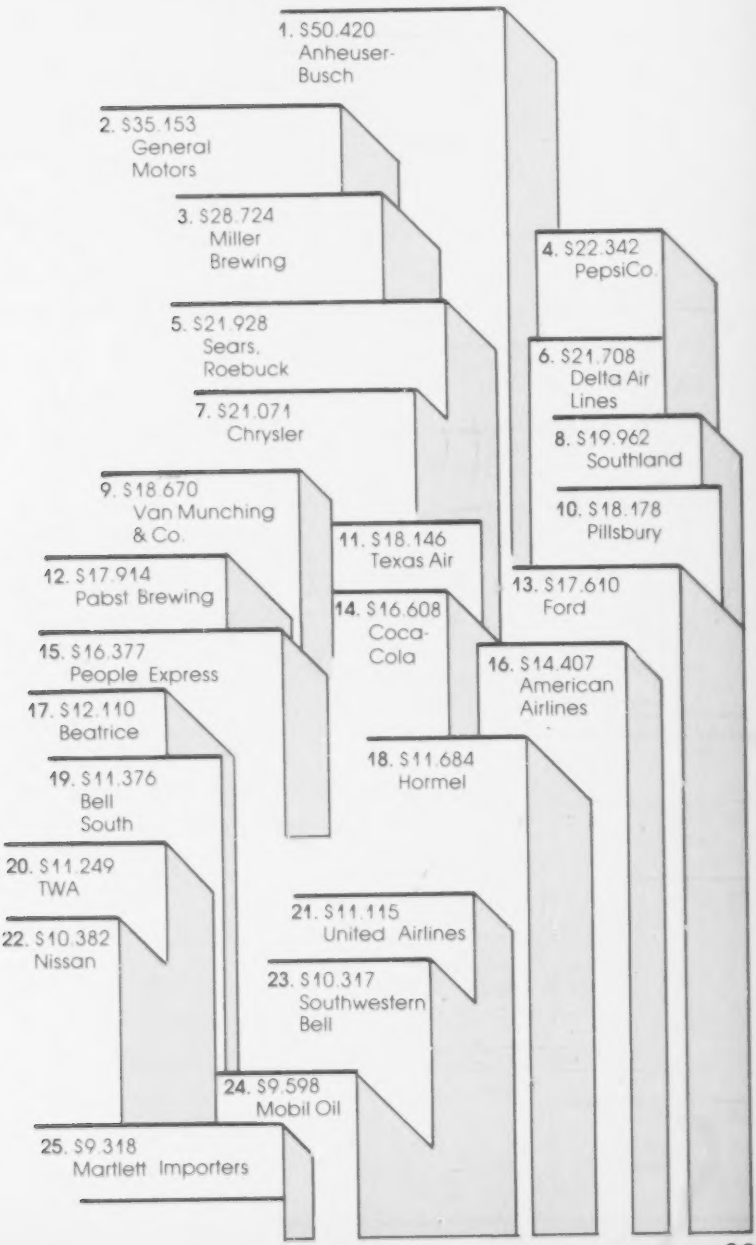
AM Stations	1984	1985	Change
Avg. Commercial Mins./Hr.	11:00	10:06	−0:54
Avg. No.Spots/Hr.	14.0	12.7	−1.3
Avg. Newscast Length	6:00	5:30	−0:30

FM Stations	1984	1985	Change
Avg. Commercial Mins./Hr.	9:54	9:17	−0:37
Avg. No. Spots/Hr.	11.4	11.9	+0.5
Avg. Newscast Length	4:05	3:42	−0:23

1987–1988

Radio's 1986 Top 25 Spot Advertisers

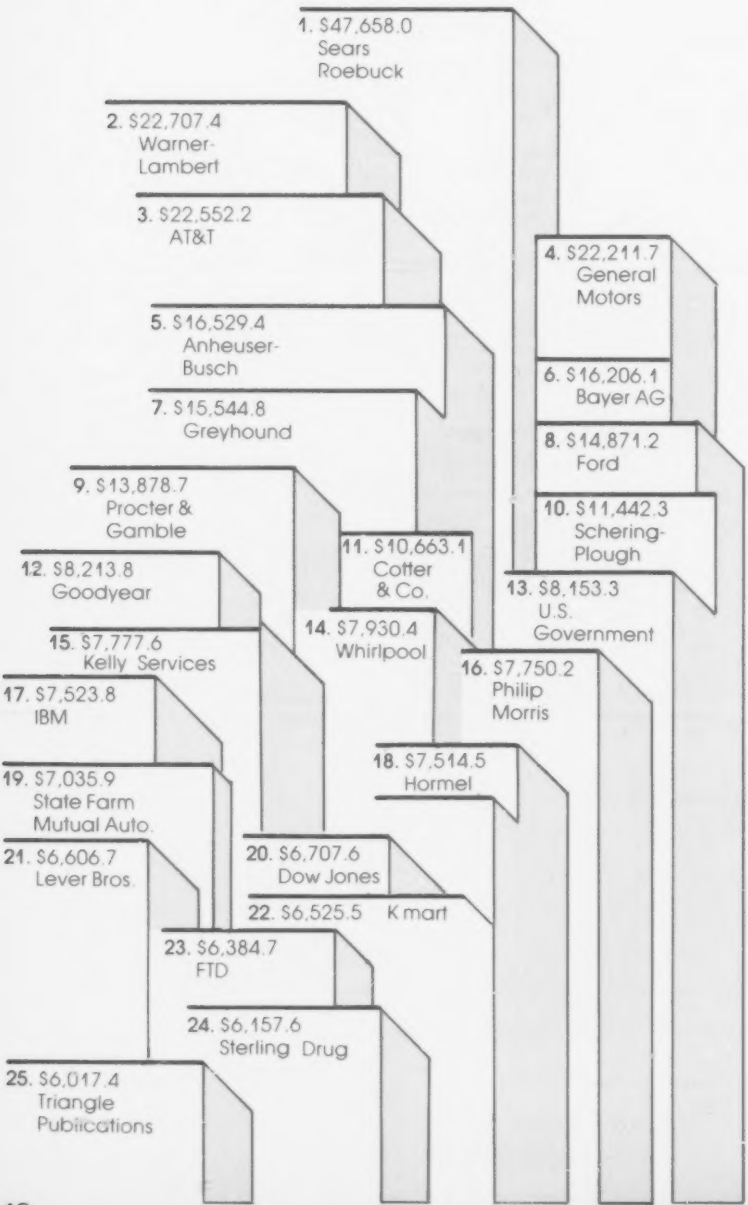
(Millions of Dollars)



RadioFacts

Radio's 1986 Top 25 Network Advertisers

(Millions of Dollars)



1987–1988

Radio's National Advertisers Include All Major Businesses

1986 Ranking

Rank	Spot	Network	Spot And Network Combined
1. Food Products	19.2%	11.4%	17.5%
2. Consumer Services	12.0	9.3	11.4
3. Beer, Ale, Wine	12.2	4.3	10.4
4. Automotive	10.3	8.7	9.9
5. Travel & Shipping	11.9	2.5	9.8
6. Retail Stores (National)	4.0	8.0	4.9
7. Drugs & Health Care	2.7	14.0	4.7
8. Publishing & Media	2.4	4.3	2.8
9. Apparel	3.1	1.4	2.7
10. Cosmetics & Toiletries	1.6	4.9	2.3
11. Computers & Office Products	2.1	3.1	2.3
12. Soft Drinks & Water	2.6	0.9	2.3
13. Gasoline & Oil	2.5	1.2	2.3
14. Government	2.0	1.4	1.9
15. Agricultural & Garden	1.8	1.6	1.8
16. Building/Hardware/Paint	1.2	3.1	1.6
17. Home Furn./Appliances	1.2	2.6	1.5
18. Confections	0.5	4.3	1.3
19. Jewelry	1.3	1.1	1.2
20. Entertainment & Amusement	1.1	0.8	1.0
21. Consumer Electronics	0.6	2.1	0.9
22. Soaps & Cleansers	0.4	1.8	0.7
23. Optical & Photo	0.6	0.4	0.5
24. Sporting Goods & Toys	0.6	0.1	0.5
25. All Others	2.1	6.7	3.8
	100%	100%	100%

RadioFacts

Local Radio Advertisers Include A Wide Range of Businesses

Share of Expenditures

Rank	Total	Market Size: 1M+	250K-1M	50K-250K	Under 50K
1. Auto Dealers	10.7%	11.1%	11.2%	10.9%	10.2%
2. Dept. Stores	8.4	9.4	8.6	7.9	8.1
3. Banks	8.0	6.5	6.6	8.3	9.1
4. Clothing Stores	7.7	7.2	7.4	7.6	8.1
5. Restaurants	7.0	6.4	7.7	7.2	6.8
6. Supermarkets	6.7	6.4	6.0	5.3	8.1
7. Furniture Stores	6.4	4.7	6.6	6.2	7.3
8. Bottlers	5.9	6.0	6.5	6.9	4.9
9. Appliance Stores	4.9	3.5	5.2	5.0	5.2
10. Savings & Loans	4.2	5.0	3.6	4.4	3.9
11. Shopping Centers	3.3	4.2	3.6	3.8	2.4
12. Jewelers	3.3	3.2	3.1	3.6	3.3
13. Theaters	3.3	6.7	4.1	3.1	1.4
14. Lumber Dealers	2.8	1.0	1.9	3.0	4.0
15. TBA Stores	2.8	2.9	3.3	2.6	2.6
16. Drug Stores	2.5	2.2	1.6	2.3	3.4
17. Shoe Stores	2.0	1.2	1.8	2.1	2.3
18. Entertainment	1.7	2.6	2.5	1.8	0.7
19. Agricultural	1.3	0.1	0.7	1.6	1.9
20. Stereo/Record Stores	1.2	2.8	2.0	1.0	0.2
21. Other Financial	1.2	1.5	1.0	1.1	1.1
22. Religion	0.6	0.2	1.3	0.7	0.3
23. Real Estate	0.5	0.8	0.2	0.6	0.5
24. All Others	3.6	4.4	3.5	3.0	4.2
	100.0%	100.0%	100.0%	100.0%	100.0%

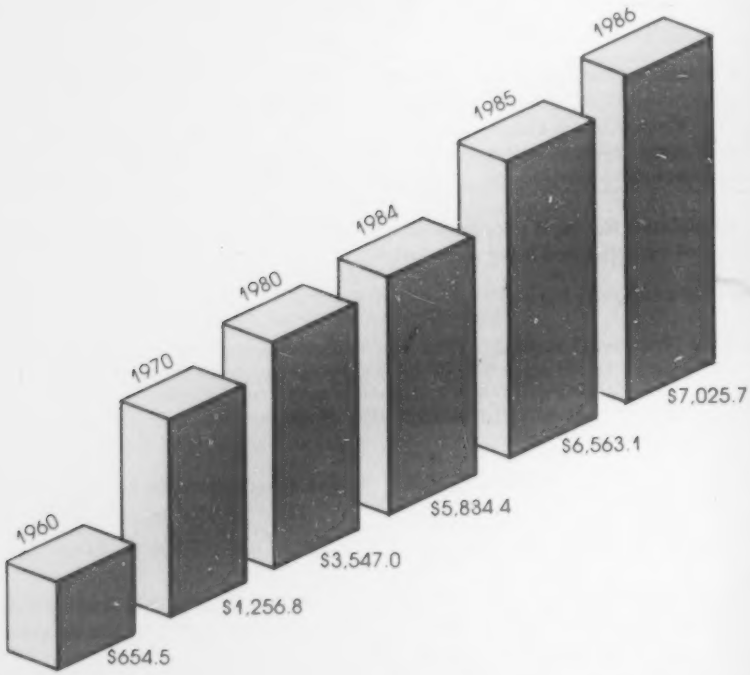
1987–1988

Radio's Revenues Are Growing

Millions of Dollars

Year	Spot	Local	Network	Total
1986	$1,332.6	$5 313.1	$380.0	$7,025.7
1985	1,319.4	4,915.0	328.7	6,563.1
1984	1,184.4	4,412.0	288.0	5,884.4
1983	1,022.8	3,739.0	253.5	5,015.3
1982	909.4	3,365.0	217.5	4,491.9

Radio Revenues Have Grown Dramatically Since 1960



Glossary
Key Terms And Formulas

A wealth of terminology has come to describe the many dimensions of radio audience research. As new buying and planning techniques are developed, new terms are added to the vocabulary and even established terms take on new meanings.

Audience Research Terms

Average Quarter-Hour Audience (AQH Persons) An average of the number of people listening for at least five minutes in each quarter-hour over a specified period of time. In modern radio average quarter-hour measurement should be considered a measure of Total Time Spent Listening (see below).

Average Quarter-Hour Rating (AQH Rating) Average Quarter-Hour Audience expressed as a percentage of the population being measured.*
AQH PERSONS ÷ POPULATION = AQH RATING

Share Of Audience (Share) The percentage of those listening to Radio in the AQH that are listening to a particular station.

AQH PERSONS/ONE STATION ÷ AQH PERSONS/RADIO = SHARE

Because the AQH actually reflects Total Time Spent Listening, Share Of Audience is the share of Total Time Spent Listening to Radio.

Cumulative Audience (Cume Persons) Also called Unduplicated Audience, it is the number of different people listening at least five minutes during a specified period of time. Cume Audience is the potential group that can be exposed to advertising on a radio station, just as readership is the potential exposure group for a magazine or newspaper.

Cumulative Rating (Cume Rating) Cumulative Audience expressed as a percentage of the population being measured.*

CUME PERSONS ÷ POPULATION = CUME RATING

Total Time Spent Listening (TTSL) The number of quarter-hours of listening to Radio or to a station by the population group being measured.*

AQH PERSONS × QUARTER-HOURS IN TIME PERIOD = TTSL
IN QUARTER HOURS)

Average Time Spent Listening (TSL) The time spent listening by the average person who listens to Radio or to a station.

TTSL ÷ CUME PERSONS = TSL

Average Time Spent Listening is an indicator of audience availability to advertising messages. The more time spent listening, the greater opportunity for exposure and ability to develop frequency.

1987–1988

Audience Turnover (T/O) The number of times the Average Quarter-Hour Audience is replaced by new listeners in a specified period of time. Audience Turnover is also the number of announcements required to reach approximately 50% of the station's Cumulative Audience in the time period.

CUME PERSONS ÷ AQH PERSONS = T/O

* The population being measured can be all people or any demographic group

Schedule Measurement Terms

Reach The number of different people who are exposed to a schedule of announcements, i.e., those listening during a quarter-hour when announcements are aired.

Reach can also be expressed as a Rating (percentage of the population being measured).

PERSONS REACHED ÷ POPULATION = REACH RATING

Gross Impressions The total number of exposures to a schedule of announcements. Not a measure of the number of different people exposed to a commercial.

AQH PERSONS × NUMBER OF ANNOUNCEMENTS =
GROSS IMPRESSIONS

Frequency The average number of times the audience reached by an advertising schedule (those listening during a quarter-hour when an announcement is aired) is exposed to a commercial.

GROSS IMPRESSIONS ÷ REACH = FREQUENCY

Gross Rating Points (GRPs) Gross Impressions expressed as a percentage of the population being measured.* One Rating Point equals one percent of the population.

GROSS IMPRESSIONS ÷ POPULATION = GRPs

It can also be derived by combining AQH Ratings:

AQH RATING × NUMBER OF ANNOUNCEMENTS = GRPs

Cost Per Thousand (CPM) The basic term to express Radio's unit cost. It establishes 1000 as the basic unit for comparing Radio values. Most frequently used to compare the cost of 1000 Gross Impressions on different stations, it is also used to compare the cost of reaching 1000 people.

$$\frac{\text{SCHEDULE COST}}{\text{GROSS IMPRESSIONS (IN THOUSANDS)}} = \text{CPM}$$

Cost Per Rating Point (CPP) An expression of Radio's unit cost using a Rating Point, which is one percent of the population being measured*. Cost Per Rating Point is often used for planning Radio in conjunction with GRPs.

$$\frac{\text{SCHEDULE COST}}{\text{GROSS RATING POINTS}} = \text{CPP}$$

Reach/Frequency Evaluations

Reach/Frequency Formulas There are three factors in any Reach/Frequency formula: 1) Reach, 2) Frequency and 3) GRPs. Their relationship is expressed in these formulas, with any two factors predicting the third:

REACH × FREQUENCY = GRPs
GRPs ÷ FREQUENCY = REACH
GRPs ÷ REACH = FREQUENCY

Example: If 100 GRPs are purchased and the advertiser has determined a 4 Frequency is necessary, the Reach will be 25. These formulas make Radio planning extremely flexible.

Effective Frequency The minimum level of frequency—number of exposures—determined to be effective in achieving the goals of an advertising campaign (e.g., awareness, recall, sales, etc.). This level will vary with individual products or services and the marketing objectives of the campaign.

Frequency Distribution A tabulation separating those reached by a schedule, according to their minimum levels of exposure: 2 or more times, 3 or more times, 4 or more times, etc.

Effective Reach The number of people reached by a schedule at the pre-determined level of Effective Frequency.

Effective Rating Points (ERPs) Effective Reach expressed as a percentage of the population being measured.*

EFFECTIVE REACH ÷ POPULATION = ERPs

1987–1988

Source Appendix

2 Radios in Use: RAB estimate based on Electronic Industries Association (EIA) set sales. Households With Radio: RAB projection based on U.S. Census Bureau HH count (year-end). Radios Sold Annually: EIA. Note: Starting in 1986, and revising 1985 data, the EIA changed its methodology for compiling import sales figures, thus reducing total sales somewhat. Further details available on request.

3 Radios Per HH, Sets in homes: RAB estimates based on EIA, U.S. Census Bureau 1986, RADAR 1980. $ Spent: RAB estimate based on EIA set sales figures and *Dealerscope Merchandising Magazine* retail price averages. 150 million battery-operated: RAB estimate from RADAR 1980, Home Testing Institute 1985, EIA set sales figures, and Industrial Mktg. Research Co. 1983-84 survey on replacement vs. new/additional purchases. 78% of HHs have: EIA, 1980, 32.9 million sold; EIA, 1986. Rooms with radio: RADAR, 1980.

4 RADAR 34, Fall 1986.

5 Radio At Home: RADAR 34, Fall 1986. Walk-alongs: R.H. Bruskin, "Media Targeting For The 90's," 1986. Set Sales: *Dealerscope Merchandising Magazine*, 1984-86.

6 128.9 million in use, 95% have radio: RAB estimate based on Federal Hwy. Administration car count, 1986. 97% of commuters' cars, 86% reached. R.H. Bruskin, Media Targeting For The 90's, 1986. 99% of used cars: Hertz, 1979. 98% of fleet cars: Nat'l. Ass'n. of Fleet Administration, 1980. 82% of all Travel: U.S. Dep't. of Transportation consumer survey, 1983. Workers, Shoppers & Diners: R.H. Bruskin, Media Targeting For The 90's, 1986. 82% of Adults have drivers' licenses. Simmons Market Research Bureau, 1986.

7 RADAR 34, Fall 1986.

8 R.H. Bruskin, Media Targeting For The 90's. Of those who have radio available, 2% did not answer if they owned or company owned.

9-13 All Data: RADAR 34, Fall 1986.

14 Seasonal Data: Radio-Average of Arbitron, 28 markets measured four times a year in 1986. TV—Nielsen, 1986 from TvB time spent viewing. Radio—Adults 18+, Mon.-Sun., 6 AM-Mid. TV—Adults 18+, Mon.-Sun., 24 hrs. Location of Radio Listening—Mon.-Fri. 28 Arbitron Metro Areas—Persons 12+.

15 Radio beats TV 5 AM-5 PM—Special top five market (MSA) analysis. Radio—Arbitron, Fall 1986. TV—Arbitron, November 1986.

16 Arbitron Nationwide, Spring '86—Provided by CapCities/ABC.

17 Arbitron—Special Tabulation based on 10 ethnically controlled Black markets, 1986.

18 Arbitron—Special Tabulation based on 10 ethnically controlled Hispanic markets, 1986.

19 RADAR 34, Fall 1986.

20 Arbitron, Spring '86 markets 1-10 Chicago, 11-25 San Diego, 26-50 San Antonio, 51-75 Grand Rapids, 76-100 Columbia, SC, 101-150 Utica-Rome, NY, 151-200 Longview-Marshall, TX, 200+ Pueblo, CO.

21 Special Tabulation for RAB by Simmons Market Research Bureau, 1986.

Source Appendix

22 R.H. Bruskin, Media Targeting For The 90's, 1986.

23 Special Arbitron Tabulation, based on Target AID Cluster Plus Groups, Fall 1986, top 10 market.

24-25 All Data: R.H. Bruskin, Media Targeting For The 90's, 1986.

26 The Pre-Testing Company 1985. Radio Recall Research through Dec. 1985. Teleresearch, Inc. 1978.

27-30 All Data: R.H. Bruskin, Media Targeting For The 90's, 1986.

31-35 Compiled from RER and trade association sources.

36 CPM Index: McCann-Erickson projections for 1987. Radio Daily and Weekly Reach: RADAR, Fall 1986. TV—1986-87 TV Basics report (men and women averages from TvB). Newspapers—R.H. Bruskin, Media Targeting For The 90's, 1986.

37 Radio Stations operating: FCC 1/87 By Format: Prepared by Radio Information Center, 3/16/87.

38 Station Counts: FCC, year-end except Feb. 25, 1986 for 1985. Commercial loads, Newscast lengths: NRBA Programming Survey, 1985.

39 All Data: Radio Expenditure Reports, 1986.

40 LNA/BAR, 1986.

41 RER (spot) and LNA/BAR (network). Averaged and weighted by RAB to be compatible with total revenues.

42 RAB Member survey, 1980.

43 1982-1986: RAB estimates based on RER, Radio Network Ass'n., RAB Local Business Barometer, NAB Radio Financial Reports. 1980 and before: FCC.